

STAFF REPORT

TO: Planning & Economic Development Committee **DATE:** 4/19/16

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SUBJECT: Summary of Public Input on Downtown Development Review Thresholds, Review Process for Level III Projects and Lodging Facilities

Summary

A staff briefing that summarizes public input and results from a community forum held on March 23, 2016 concerning Central Business District (CBD) related topics, including development review thresholds, preferred review process for the largest projects (Level III projects) and considerations for lodging facilities.

Background

At the December 8, 2015 City Council meeting, staff gave a presentation to Council regarding the aforementioned topics. Staff provided an additional presentation to the Planning & Economic Development Committee on January 26, 2016 concerning these issues. With support from the Downtown Commission, staff held a CBD Development Forum on March 23, 2016. The agenda covered an overview of the CBD, history of the 2009 Downtown Master Plan, current development review thresholds and recent development trends. At the forum, public input was also sought on the following items:

- Levels of review for projects in the CBD:
 - Level II (projects between 20,000 square feet and 175,000 square feet and below 145 feet tall) v. Level III projects (projects greater than 175,000 square feet and taller than 145 feet)
 - Rationale for the current development review process
 - Are the current development review thresholds appropriate?
 - What would the impacts be if the thresholds were changed?
- The process for Level III projects in the CBD:
 - Conditional zoning v. conditional use permits. Pros/cons of both tools
 - Should the city consider expanding conditional zoning within the CBD?
- Hotels in/around the CBD:
 - The current review process for hotel proposals
 - What are the public's concerns?
 - Should hotels be evaluated differently than other development proposals?

There was a large turnout for the forum with attendance estimated at about 125 people. Attendees were invited to fill out comment cards regarding the three subject areas and to participate in table discussions specific to each topic. The results from the forum have been transcribed and a summary provided here, with actual comments attached to this report:

1. Review thresholds

In general there was not clear consensus that the review thresholds need to be adjusted at all. In fact most of the responses from the comment cards did not favor moving the threshold. The staff notes from this table indicate a wide range of opinion on this topic from: leaving the thresholds in place because things are working smoothly; expanding requirements for quality design; and adjusting the maximum height and Level II thresholds. One particular item of note was broad interest from attendees to have additional communication about large scale projects. Some ideas focused on wider public notice for the required developer-sponsored neighborhood meeting or for meeting information to be posted to the City web site for example. One participant summarized that concern about development seems to relate to the need for additional communication.

2. Process for reviewing large projects

When projects do qualify for the Level III threshold, Council reviews projects in the Traditional Downtown Core as conditional zoning (CZ) applications. For project outside of the core, they are reviewed as conditional use permits (CUPs). Although there were not many comment cards received regarding this topic (six cards received in total), four of the responses indicated a preference for expanding the conditional zoning option. The staff notes on this issue provide a recommendation that City Council have a meeting with the developer early on in the review process.

3. Consideration for hotels

Attendees were asked if there was any concern about hotels and what if any changes should be made to the review process. Of the meeting attendees who filled out a comment card specific to hotels, the majority did not feel that hotels should be singled out or treated differently from other development proposals. Some people did not agree with this and felt that Council should review all hotels, with one person suggesting a trial period of three years.

After the forum, staff was invited to attend a local chapter meeting of the North Carolina Lodging Association on April 7, 2016. Staff provided the same presentation that was shared at the CBD Development Forum. There were some comments from attendees about the way Council reviews projects using the CZ process. Hoteliers seem to be concerned that they may not know what to provide within the project scope during a CZ process and that City Council may exact requirements that they may not be able to meet. The CUP process, which requires seven standards to be met for project approval, was preferred, as well as the predictability of design standards.

At the North Carolina Lodging Association meeting, there was also broad comment about the need for hotels to provide sufficient parking for their projects. Hoteliers realize that since most guests arrive at their destination by private automobile, then parking should be sufficiently provided for.

Staff presented the results of the CBD Development Forum to the Downtown Commission meeting on April 8, 2016. The Commission's discussion focused on the various meeting notification options for the developer-sponsored meeting throughout the development review process and the notification process currently in use.

The current notification process includes:

- Mailed notices to adjacent property owners within 200 feet of the property parcel (for developer meeting, Downtown Commission meeting, Planning and Zoning Commission meeting, and City Council meeting)
- City 'Z' signs posted at the property (for Planning and Zoning Commission and City Council meetings)
- Meeting agendas posted to city website (for Downtown Commission, Planning and Zoning and City Council meetings)

At the Downtown Commission meeting, it was discussed that even though the city notification process exceeds state requirements that some nearby property owners are not aware of some projects in the CBD. For example, an interested citizen residing outside the 200 foot radius for notifications would need to find the information on the city website among the other postings and announcements. Also, as a limitation to the mailed notice, tenants of a property do not receive notice, only the property owner.

Commissioners discussed potential suggestions for improved public notification, including a city 'Z' sign (or a sign of similar size) being posted to the property for the Downtown Commission's review since this would call attention to a project. Staff also mentioned the consideration of having a deadline for holding the developer-sponsored meeting, prior to the Technical Review Committee meeting, and possibly requiring the developer to submit a meeting summary report to staff.

Recommendation

This report is being provided for informational purposes. Staff seeks guidance from the Planning and Economic Development Committee based on this information. Staff will also present a summary of its findings at the City Council meeting on April 26, 2016.

Attachments:

- (1) General Summary – CBD Development Forum
- (2) CBD Development Forum Comments
- (3) Staff Notes from CBD Development Forum